

U S WEST Communications
7800 E. Orchard Road, Suite 250
Englewood, Colorado 80111
(303) 793-6605-Phone
(303) 793-6633-Fax
kxmacne@uswest.com

Kristine B. Macneal
Contract Administrator

Contract Development
and Services

Law Department

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STATE OF WASH.
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COMMISSION

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November 9, 1999

Via Airborne Express

Ms. Carole J. Washburn, Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7254

**RE: Negotiated Resale Agreement between McLeodUSA
Telecommunications, Inc. and U S WEST
Communications, Inc.**

Dear Ms. Washburn:

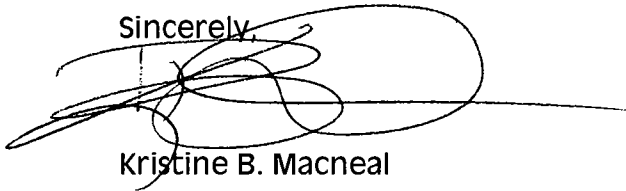
In accordance with the Order on Arbitration Procedure in Docket No. UT-960269, attached for your approval are eight (8) copies of the Resale Agreement between McLeodUSA Telecommunications, Inc. ("McLeodUSA") and U S WEST Communications, Inc. U S WEST and McLeodUSA negotiated this agreement for resale under the terms of the Telecommunications Act of 1996. Also enclosed is the Request of U S WEST Communications, Inc. for Approval of Resale Agreement.

The parties respectfully request that this matter be placed on the next Consent Agenda for expedited approval.

The Order on Arbitration Procedure also requests that a proposed order accompany the filing. U S WEST requests a waiver of that requirement, and is not providing one with this filing, as the Commission has, in the past, used its own format for Orders. If this is not satisfactory to the Commission please contact me and I will forward a proposed order immediately.

Please date and file stamp and return the extra copy of the Application in the enclosed self-addressed and postage paid envelope. If you have any questions or need any further information, please do not hesitate to contact me at (303) 793-6605

Sincerely,

A handwritten signature in black ink, appearing to be 'Kristine B. Macneal', written over a horizontal line. The signature is stylized with loops and a long horizontal stroke extending to the right.

Kristine B. Macneal

Enclosures

cc: John McCluskey (w/enc.)
Director-Interconnection Compliance (w/enc.)
Elizabeth Weber (w/enc.)

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Request for Approval of) Docket No. UT-
Negotiated Local Interconnection Agreement)
under the Telecommunications Act of 1996) REQUEST FOR APPROVAL OF RESALE
Between McLeodUSA Telecommunications, Inc.) (LOCAL) INTERCONNECTION
and U S WEST Communications, Inc.) AGREEMENT
_____)

I. INTRODUCTION

Pursuant to Section III of the Interpretive and Policy Statement Regarding Negotiation, Mediation, Arbitration, and Approval of Agreements under the Telecommunications Act of 1996 ("Interpretive and Policy Statement") issued by this Commission in Docket No. UT-960269, U S WEST Communications, Inc. ("U S WEST") and McLeodUSA Telecommunications, Inc. ("McLeodUSA") hereby submit for approval by the Washington Utilities and Transportation Commission ("Commission") the attached Resale Agreement Between U S WEST and McLeodUSA (the "Agreement"). This Agreement allows McLeodUSA to resell U S WEST local exchange services in Washington. This agreement was reached through voluntary negotiations between in-house representatives of both companies without resort to mediation or

REQUEST FOR APPROVAL OF
RESALE (LOCAL)
INTERCONNECTION AGREEMENT

1 arbitration. It is submitted for approval pursuant to Section 252(d) of the Communications Act
2 of 1934, as amended by the Telecommunications Act of 1996 (the "Act") and the requirements
3 of the Commission's Interpretive and Policy Statement.

4 II. REASONS FOR APPROVAL

5 Section 252(e)(2) of the Act directs that a state commission may reject an agreement
6 reached through voluntary negotiations only if the Commission finds that:

- 7 1) The Agreement (or portions thereof) discriminates against a
8 telecommunications carrier not a party to the Agreement; or
- 9 2) The implementation of such agreement or portion is not consistent with the
public interest, convenience, and necessity.

10 U S WEST and McLeodUSA respectfully submit that the Agreement provides no basis
11 for either of these findings and thus request that the Commission approve the agreement
12 expeditiously. First, the Agreement does not discriminate against any other telecommunications
13 carrier. There is no finding that the terms of this Agreement are more favorable than terms
14 provided to other carriers.

15 Second, the Agreement is consistent with the public interest as identified in the pro-
16 competitive policies of the state of Washington, the Commission, the U.S. Congress and the
17 Federal Communications Commission. The Agreement will enable McLeodUSA to enter the
18 local exchange market and provide customers with increased choices among local exchange
19 service providers. Expeditious approval of this Agreement will facilitate immediate competition
20 in U S WEST's local exchange service areas in Washington. In addition, because this Agreement
21 does not discriminate against any other telecommunications carrier, state law policies prohibiting
22 unreasonable discrimination are preserved by approval of this Agreement.

1 Furthermore, this Agreement is consistent with the Commission's interconnection order
2 as reflected in the "preferred outcomes" in Appendix B to the Interpretive and Policy Statement.
3 Many of these "preferred outcomes" deal with interconnection, and are not applicable to this
4 agreement, which deals only with resale. Nonetheless, none of the provisions of this Agreement
5 appear inconsistent with any of the "preferred outcomes" recited in Appendix B. For instance,
6 the Agreement recognizes and treats McLeodUSA as a co-carrier. (See "Preferred Outcome"
7 #2.) The Agreement's directory listings provision (Section (D)3) is also consistent with the
8 "Preferred Outcome" #7.

9 For the foregoing reasons, U S WEST and McLeodUSA submit that approval of this
10 Agreement is warranted because it satisfies the state and federal criteria for approval.

11 III. DESCRIPTION OF AGREEMENT

12 The Agreement provides that U S WEST will make available for resale specified local
13 exchange services in the state of Washington. The list of services available for resale and the
14 applicable discount rates are referenced in Part E and Part (B)3 of the Agreement. Basic
15 Exchange Telecommunications Service, Basic Exchange Features and IntraLATA Toll
16 originating from U S WEST will be available for resale at a 16% percent discount. For these
17 services and additional services, the discount rate shall be subject to revisions established by a
18 commission order that such services be made generally available to any reseller in the state, as
19 provided in Part (B) 1.1.

20 Part (A) 3.2 provides that the term of the Agreement shall become effective upon
21 Commission approval, and shall terminate on December 1, 2001. Pursuant to the FCC Rules,
22 U S WEST shall make available to McLeodUSA the terms and conditions of any other
23

1 agreement for resale services provided that McLeodUSA accept such other agreement in its
2 entirety.

3 The Agreement also includes the following significant provisions:

4 Part (A) 3.5 puts the primary responsibility for collection and payment of taxes on
5 McLeodUSA.

6 Part (A) 3.9 restricts McLeodUSA's ability to use any U S WEST patents, trademarks, or
7 copyrighted information and, except in limited circumstances, prohibits McLeodUSA from using
8 the U S WEST brand name in verbal or written communications with end-user customers. Part
9 (B) 2.2 requires U S WEST to provide service in accordance with applicable service quality
10 standards and in the same manner it provides service to its own end-user customers.

11 Part (B) 2.5 provides that McLeodUSA accepts U S WEST branding at this time but that
12 rebranding may be available upon request if McLeodUSA pay the costs associated with
13 rebranding.

14 Part (B) 2.4 and (B) 2.6 establishes procedures for service ordering and maintenance,
15 including requirements for demonstrating "Proof of Authorization" to switch a customer,
16 designation of Primary Interexchange Carrier selection and restriction on U S WEST's ability to
17 discuss its products and services with customers during misdirected repair calls.

18 Part (B) 2.5 establishes procedures and due dates for billing and allows for U S WEST to
19 disconnect if McLeodUSA fails to make full payment for the resold services within sixty (60)
20 days of the due date.

21 Part (B) 2.6 requires McLeodUSA to obtain accurate customer listing information. It
22 further provides that U S WEST will accept one primary directory listing for each main
23 telephone number of McLeodUSA's customers.

1 Part (D) 2 discusses U S WEST's "Operational Support Systems" (OSS).

2 Part (B) 3.11 - discussed above - sets out when state Commission ordered rates and
3 charges may be incorporated into McLeodUSA's Agreement. These sections also provide for
4 revisions to the discount rates established in this Agreement and those ultimately established by a
5 state Commission.

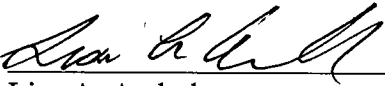
6 Part (E) imposes a "Customer Transfer Charge" of \$6.57 to \$14.56 for transferring a
7 residence or business customer account via mechanization and \$7.12 to \$27.52 for transferring a
8 residence or business customer account manually. Private line transport charges are \$31.19 to
9 \$45.08. Advanced Communications Services are \$ 50.58 per circuit.

10 **IV. CONCLUSION**

11 For the foregoing reasons, McLeodUSA and U S WEST respectfully request expeditious
12 approval of the Agreement. Both Parties request approval earlier than the 90 day time period
13 allowed for by the Interpretive and Policy Statement, in order to facilitate the immediate
14 availability of local exchange competition between McLeodUSA and U S WEST.

15 Respectfully submitted this 9th day of November, 1999.

16 U S WEST Communications, Inc.

17
18 
19 Lisa A. Anderl
20 Senior Attorney
21 U S WEST Law Department
22 1600 7th Avenue, Room 3206
23 Seattle, Washington 98191
24 (206) 345-1574

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STATE OF WASH.
UTIL. AND TRANS.
COMMISSION

**RESALE
AGREEMENT**

BETWEEN

U S WEST COMMUNICATIONS, INC.

AND

MCLEODUSA TELECOMMUNICATIONS, INC.

FOR

WASHINGTON

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PART A - GENERAL TERMS

This Resale Agreement is between McLeodUSA Telecommunications Services, Inc. ("McLeodUSA"), and U S WEST Communications, Inc. ("USW"), a Colorado corporation.

(A)1. SCOPE OF AGREEMENT

- (A)1.1 Pursuant to this negotiated Resale Agreement ("Agreement"), McLeodUSA and USW (collectively, "the Parties") will extend certain arrangements to one another within the geographical areas where USW is the incumbent Local Exchange Carrier within the state of Washington for purposes of providing the resale of local Telecommunications Services. This Agreement or the portions of this Agreement relative to a particular state will be submitted to the Washington Utilities and Transportation Commission ("Commission") for approval. Notwithstanding this mutual commitment, however, the Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.
- (A)1.2 This Agreement is entered into as a result of both private negotiations between the Parties and the incorporation of some of the results of arbitrated decisions by the Commission, acting pursuant to Section 252 (b) of the Act, and involving interconnection/resale agreements of other parties. The Parties have included for convenience certain rates, terms or conditions in this Agreement which reflect rates, terms or conditions established in some or all of those other arbitrations. McLeodUSA acknowledges: (1) that those rates, terms or conditions are extended only because of the arbitrated results in other dockets, (2) that USW intends to appeal certain of those decisions, and (3) that any negotiations, appeal, stay, injunction or similar proceeding impacting the applicability of those rates, terms or conditions to the local service providers who were parties to those arbitrations will similarly impact the applicability of those rates, terms or conditions to Reseller. The Parties further recognize that this Agreement is subject to the generic proceedings by the Commission addressing the services in this Agreement.
- (A)1.3 This Agreement sets forth the terms, conditions and prices under which USW agrees to provide services for resale to McLeodUSA, all for the sole purpose of providing Telecommunications Services.
- (A)1.4 In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.

(A)1.5 USW may make services and features available to McLeodUSA for resale under this Agreement consistent with the way they are available to USW end users, without a formal amendment to this Agreement. Nothing herein prevents either Party from raising other issues through additional good faith negotiations.

(A)1.6 This Agreement is structured in the following format:

- Part A - General Terms
- Part B - Resale
- Part C - Directory Services
- Part D - Miscellaneous Provisions
- Part E - Rates
- Part F - Signature

(A)1.7 Prior to placing any orders for services under this Agreement, the Parties will jointly complete USW's "Reseller Questionnaire". This questionnaire will then be used to:

- Determine geographical requirements
- Identify McLeodUSA Ids
- Determine USW system requirements to support McLeodUSA specific activity
- Collect credit information
- Obtain billing information
- Create summary bills
- Establish input and output requirements
- Create and distribute USW and McLeodUSA contact lists
- Identify client hours and holidays

(A)2. DEFINITIONS

(A)2.1 "Act" means the Communications Act of 1934 (47 U.S.C. 151 et. seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC or a Commission within its state of jurisdiction.

(A)2.2 "Basic Exchange Features" are optional end user switched services that include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.

(A)2.3 "Basic Exchange Telecommunications Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Basic residence and business line services are Basic Exchange Telecommunications Services. As used solely in the context of this statement and unless otherwise agreed, Basic Exchange

Telecommunications Service includes access to ancillary services such as 911, directory assistance and operator services.

- (A)2.4 "Commission" means the Utilities and Transportation Commission in the state of Washington.
- (A)2.5 "Enhanced Services" means any service offered over common carrier transmission facilities that employ computer processing applications that act on format, content, code, protocol or similar aspects of the subscriber's transmitted information; that provide the subscriber with additional, different or restructured information; or involve end user interaction with stored information.
- (A)2.6 "Interconnect & Resale Resource Guide" is a USW document that provides essential information needed to request services available under this Agreement. It is available on USW's Web site.
- (A)2.7 "Interexchange Carrier" or "IXC" means a carrier that provides interLATA or IntraLATA Toll services.
- (A)2.8 "IntraLATA Toll" is defined in accordance with USW's current intraLATA toll serving areas, as determined by the Federal Communications Commission.
- (A)2.9 "Local Exchange Carrier" or "LEC" means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.
- (A)2.10 "Party" means either USW or McLeodUSA and "Parties" means USW and McLeodUSA.
- (A)2.11 "Reseller" is a category of local exchange service provider that obtains dial tone and associated Telecommunications Services from another provider through the purchase of finished services for resale to its end users.
- (A)2.12 "Tariff" as used throughout this Agreement refers to USW interstate Tariffs and state Tariffs, price lists, price schedules and catalogs.
- (A)2.13 "Telecommunications Carrier" means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Act). A Telecommunications Carrier shall be treated as a common carrier under the Act only to the extent that it is engaged in providing Telecommunications Services, except that the Federal Communications Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage.

- (A)2.14 "Telecommunications Services" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- (A)2.15 Terms not otherwise defined here, but defined in the Act shall have the meaning defined there. Where a term is defined in the regulations implementing the Act but not in this Agreement, the Parties do not necessarily intend to adopt the definition as set forth in said regulations.

(A)3. TERMS AND CONDITIONS

(A)3.1 General Provisions

- (A)3.1.1 Each Party is solely responsible for the services it provides to its end users and to other Telecommunications Carriers.
- (A)3.1.2 The Parties shall work cooperatively to minimize fraud associated with intra-LATA toll, third-number billed calls, and any other services related to this Agreement.
- (A)3.1.3 Nothing in this Agreement shall prevent either Party from seeking to recover the costs and expenses, if any, it may incur in (a) complying with and implementing its obligations under this Agreement, the Act, and the rules, regulations and orders of the FCC and the Commission, and (b) the development, modification, technical installation and maintenance of any systems or other infrastructure which it requires to comply with and to continue complying with its responsibilities and obligations under this Agreement.

(A)3.2 Term of Agreement

This Agreement shall become effective upon Commission approval, pursuant to Sections 251 and 252 of the Act, shall terminate on December 1, 2001, and shall be binding upon the Parties during that term, notwithstanding Section 252(i) of the Act. After the date specified above, this Agreement shall continue in force and effect until terminated by either Party providing one hundred sixty (160) days written notice of termination to the other Party. The day the notice is served will determine the starting point for a 160-day negotiation period (in accordance with 252(b)1 of the Act. In the event of such termination, existing or pending service arrangements made available under this Agreement shall continue in total without interruption under either a) a new or adoption agreement executed by the Parties, or b) tariff terms and conditions generally available to all resellers.

- (A)3.2.1 If the Parties are unable to negotiate a new agreement during the negotiation period described above, the window of opportunity to file for arbitration to resolve outstanding contractual issues in

accordance with the Act will occur between days 135 and 160 of the 160 day notice period.

- (A)3.2.2 If the Parties are able to reach agreement, this Agreement shall continue for the brief period of time needed to secure the Commission's approval of an adoption agreement or a new resale agreement. In the case of Section (A)3.2.1, this Agreement will expire on the termination date specified in the one hundred sixty (160) day notice referenced above, unless a petition for arbitration has been filed, but if such a petition has been filed then this Agreement shall continue for the period necessary for the Commission to act and resolve the disputed issues so that the Parties will have an effective resale agreement.

(A)3.3 Proof of Authorization

Where so indicated in specific sections of this Agreement, each party shall be responsible for obtaining and having in its possession Proof of Authorization ("POA"). POA shall consist of documentation of the end user's selection of a local service provider. Such selection may be obtained in the following ways:

- (A)3.3.1 The end user's written Letter of Authorization.
- (A)3.3.2 The end user's electronic authorization by use of an 1-8XX number.
- (A)3.3.3 The end user's oral authorization verified by an independent third party (with third party verification as POA).
- (A)3.3.4 A prepaid returnable postcard supplied by the new local service provider which has been signed and returned by end user. The new local service provider will wait fourteen (14) calendar days after mailing the postcard before placing an order to change.

The Parties shall make POAs available to each other upon request. A charge of \$100.00 ("slamming charge") will be assessed if the POA cannot be provided supporting the change in service provider. If there is a conflict between the end user designation and the other Party's written evidence of its authority, the Parties shall honor the designation of the end user and change the end user back to the previous service provider.

(A)3.4 Payment

- (A)3.4.1 Amounts payable under this Agreement are due and payable within thirty (30) calendar days after the date of invoice.
- (A)3.4.2 Should McLeodUSA dispute, in good faith, any portion of the monthly billing under this Agreement, McLeodUSA will notify USW in writing within thirty (30) calendar days of the receipt of such

billing, identifying the amount, reason and rationale of such dispute. McLeodUSA shall pay all amounts due. Both McLeodUSA and USW agree to expedite the investigation of any disputed amounts in an effort to resolve and settle the dispute prior to initiating any other rights or remedies. Should the dispute be resolved in McLeodUSA's favor and the resolved amount did not appear as a credit on McLeodUSA's next invoice from USW, USW will reimburse McLeodUSA the resolved amount plus interest from the date of payment. The amount of interest will be calculated using the late payment factor that would have applied to such amount had it not been paid on time. Similarly, in the event McLeodUSA withholds payment for a disputed charge, and upon resolution of the matter it is determined that such payments should have been made to USW, USW is entitled to collect interest on the withheld amount, subject to the above provisions.

- (A)3.4.3 USW will determine McLeodUSA's credit status based on previous payment history with USW or credit reports such as Dun and Bradstreet. If McLeodUSA has not established satisfactory credit with USW or if McLeodUSA is repeatedly delinquent in making its payments, USW may require a deposit to be held as security for the payment of charges. "Repeatedly delinquent" means being thirty (30) calendar days or more delinquent for three (3) consecutive months. The deposit may not exceed the estimated total monthly charges for a two (2) month period. The deposit may be a surety bond, a letter of credit with terms and conditions acceptable to USW or some other form of mutually acceptable security such as a cash deposit. Required deposits are due and payable within ten (10) calendar days after demand in accordance with Commission requirements.
- (A)3.4.4 Interest will be paid on cash deposits at the rate applying to deposits under applicable Commission rules, regulations, or Tariffs. Cash deposits and accrued interest will be credited to McLeodUSA's account or refunded, as appropriate, upon the earlier of the termination of this Agreement or the establishment of satisfactory credit with USW, which will generally be one (1) full year of timely payments in full by McLeodUSA. The fact that a deposit has been made does not relieve McLeodUSA from any requirements of this Agreement.
- (A)3.4.5 USW may review McLeodUSA's credit standing and modify the amount of deposit required.
- (A)3.4.6 The late payment charge for amounts that are billed under this Agreement shall be in accordance with Commission requirements.

(A)3.5 Taxes

Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Until such time as a resale tax exemption certificate is provided, no exemptions will be applied.

(A)3.6 Force Majeure

Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event"). The Party affected by a Force Majeure Event shall give prompt notice to the other Party, shall be excused from performance of its obligations hereunder on a day to day basis to the extent those obligations are prevented by the Force Majeure Event, and shall use reasonable efforts to remove or mitigate the Force Majeure Event. In the event of a labor dispute or strike the Parties agree to provide service to each other at a level equivalent to the level they provide themselves.

(A)3.7 Limitation of Liability

- (A)3.7.1 Each Party shall be liable to the other for direct damages for any loss, defect or equipment failure resulting from the causing Party's conduct or the conduct of its agents or contractors in performing the obligations contained in this Agreement.
- (A)3.7.2 Neither Party shall be liable to the other for indirect, incidental, consequential, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.

- (A)3.7.3 Except for indemnity obligations, each Party's liability to the other Party for any loss relating to or arising out of any act or omission in its performance of this Agreement, whether in contract or in tort, shall be limited to the total amount that is or would have been charged to the other Party by such breaching Party for the service(s) or function(s) not performed or improperly performed.
- (A)3.7.4 Nothing contained in this Section shall limit either Party's liability to the other for intentional, malicious misconduct.
- (A)3.7.5 Nothing contained in this Section shall limit either Party's obligations of indemnification as specified in the Indemnity Section of this Agreement.
- (A)3.7.6 Neither Party shall be liable to the other under any theory including indemnity on account of such Party's failure or neglect to have or maintain a system or systems that are Year 2000 compliant. As the Parties approach the Year 2000, date information associated with any interfaces between the Parties is expected to remain as it is. Any changes in the interface format associated with date information will be negotiated and agreed to by the Parties prior to any changes.

(A)3.8 Indemnity

- (A)3.8.1 With respect to third party claims, the Parties agree to indemnify each other as follows:
 - (A)3.8.1.1 Except for claims made by end users of one Party against the other Party, which claims are based on defective or faulty services provided by the other Party to the one Party, each of the Parties agree to release, indemnify, defend and hold harmless the other Party and each of its officers, directors, employees and agents (each an "Indemnitee") from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, costs and attorneys' fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for loss, damage to, or destruction of property, whether or not owned by others, resulting from the indemnifying Party's performance, breach of applicable law, or status of its employees, agents and subcontractors; or for failure to perform under this Agreement, regardless of the form of action.

(A)3.8.1.2 Where the third party claim is made by (or through) an end user of one Party against the other Party, which claim is based on defective or faulty services provided by the other Party to the one Party then there shall be no obligation of indemnity unless the act or omission giving rise to the defective or faulty services is shown to be intentional, malicious misconduct of the other Party.

(A)3.8.1.3 If the claim is made by (or through) an end user and where a claim is in the nature of a claim for invasion of privacy, libel, slander, or other claim based on the content of a transmission, and it is made against a Party who is not the immediate provider of the Telecommunications Service to the end user (the indemnified provider), then in the absence of fault or neglect on the part of the indemnified provider, the Party who is the immediate seller of such Telecommunications Service shall indemnify, defend and hold harmless the indemnified provider from such claim.

(A)3.8.2 The indemnification provided herein shall be conditioned upon:

(A)3.8.2.1 The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification. Failure to so notify the indemnifying Party shall not relieve the indemnifying Party of any liability that the indemnifying Party might have, except to the extent that such failure prejudices the indemnifying Party's ability to defend such claim.

(A)3.8.2.2 The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.

(A)3.8.2.3 In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party.

(A)3.9 Intellectual Property

- (A)3.9.1 Each Party hereby grants to the other Party the limited, personal and nonexclusive right and license to use its patents, copyrights and trade secrets but only to the extent necessary to implement this Agreement or specifically required by the then applicable federal and state rules and regulations relating to Interconnection and access to telecommunications facilities and services, and for no other purposes. Nothing in this Agreement shall be construed as the grant to the other Party of any rights or licenses to trademarks.
- (A)3.9.2 The rights and licenses above are granted "AS IS" and the other Party's exercise of any such right and license shall be at the sole and exclusive risk of the other Party. Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding (hereinafter "claim") by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement constitutes infringement, or misuse or misappropriation of any patent, copyright, trade secret, or any other proprietary or intellectual property right of any third party.
- (A)3.9.3 As a condition to the access or use of patents, copyrights, trade secrets and other intellectual property (including software) owned or controlled by a third party to the extent necessary to implement this Agreement or specifically required by the then applicable federal and state rules and regulations relating to Interconnection and access to telecommunications facilities and services, the Party providing access may require the other, upon written notice, from time to time, to obtain a license or permission for such access or use, make all payments in connection with obtaining such license, and provide evidence of such license.
- (A)3.9.4 Except as expressly provided in this Intellectual Property Section, nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, logo, trademark, tradename, trade secret or any other intellectual property right now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyright, logo, trademark, tradename, trade secret or other intellectual property rights of the other Party or its affiliates without execution of a separate agreement between the Parties.

(A)3.9.5 Neither Party shall without the express written permission of the other Party, state or imply that: 1) it is connected, or in any way affiliated with the other or its affiliates, 2) it is part of a joint business association or any similar arrangement with the other or its affiliates, 3) the other Party and its affiliates are in any way sponsoring, endorsing or certifying it and its goods and services, or 4) with respect to its advertising or promotional activities or materials, that the resold goods and services are in any way associated with or originated from the other or any of its affiliates. Nothing in this paragraph shall prevent either Party from truthfully describing the network elements it uses to provide service to its end users, provided it does not represent the network elements as originating from the other Party or its affiliates.

(A)3.9.6 For purposes of resale only and notwithstanding the above, unless otherwise prohibited by USW pursuant to an applicable provision herein, McLeodUSA may use the phrase "McLeodUSA is a reseller of U S WEST Communications services" (the "Authorized Phrase") in McLeodUSA's printed materials provided:

(A)3.9.6.1 The Authorized Phrase is not used in connection with any goods or services other than USW services resold by McLeodUSA.

(A)3.9.6.2 McLeodUSA's use of the Authorized Phrase does not cause end users to believe that McLeodUSA is USW.

(A)3.9.6.3 The Authorized Phrase, when displayed, appears only in text form (McLeodUSA may not use the U S WEST logo) with all letters being the same font and point size. The point size of the Authorized Phrase shall be no greater than one fourth the point size of the smallest use of McLeodUSA's name and in no event shall exceed 8 point size.

(A)3.9.6.4 McLeodUSA shall provide all printed materials using the Authorized Phrase to USW for its prior written approval.

(A)3.9.6.5 If USW determines that McLeodUSA's use of the Authorized Phrase causes end user confusion, USW may immediately terminate McLeodUSA's right to use the Authorized Phrase.

(A)3.9.6.6 Upon termination of McLeodUSA's right to use the Authorized Phrase or termination of this Agreement, all permission or right to use the Authorized Phrase shall immediately cease to exist and McLeodUSA

shall immediately cease any and all such use of the Authorized Phrase. McLeodUSA shall either promptly return to USW or destroy all materials in its possession or control displaying the Authorized Phrase.

- (A)3.9.7 McLeodUSA acknowledges the value of the marks "U S WEST" and "U S WEST Communications" (the "Marks") and the goodwill associated therewith and acknowledges that such goodwill is a property right belonging to U S WEST, Inc. and USW respectively (the "Owners"). McLeodUSA recognizes that nothing contained in this Agreement is intended as an assignment or grant to McLeodUSA of any right, title or interest in or to the Marks and that this Agreement does not confer any right or license to grant sublicenses or permission to third parties to use the Marks and is not assignable. McLeodUSA will do nothing inconsistent with the Owner's ownership of the Marks, and all rights, if any, that may be acquired by use of the Marks shall inure to the benefit of the Owners. McLeodUSA will not adopt, use (other than as authorized herein), register or seek to register any mark anywhere in the world which is identical or confusingly similar to the Marks or which is so similar thereto as to constitute a deceptive colorable imitation thereof or to suggest or imply some association, sponsorship, or endorsement by the Owners. The Owners make no warranties regarding ownership of any rights in or the validity of the Marks.

(A)3.10 Warranties

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

(A)3.11 Assignment

- (A)3.11.1 Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign or transfer this Agreement to a corporate affiliate or an entity under its common control; however, if McLeodUSA's assignee or transferee has an interconnection agreement with USW, no assignment or transfer of this Agreement shall be effective without the prior written consent of USW. Such consent shall include appropriate resolutions of conflicts and discrepancies between the assignee's or transferee's interconnection agreement and this Agreement. Any attempted assignment or transfer that is not permitted is void ab initio. Without

limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

(A)3.11.2 Without limiting the generality of the foregoing subsection, any merger, dissolution, consolidation or other reorganization of McLeodUSA, or any sale, transfer, pledge or other disposition by McLeodUSA of securities representing more than 50% of the securities entitled to vote in an election of McLeodUSA's board of directors or other similar governing body, or any sale, transfer, pledge or other disposition by McLeodUSA of substantially all of its assets, shall be deemed a transfer of control. If any entity, other than McLeodUSA, involved in such merger, dissolution, consolidation, reorganization, sale, transfer, pledge or other disposition of McLeodUSA has an interconnection agreement with USW, the Parties agree that only one agreement, either this Agreement or the interconnection agreement of the other entity, will remain valid. All other interconnection agreements will be terminated. The Parties agree to work together to determine which interconnection agreement should remain valid and which should terminate. In the event the Parties cannot reach agreement on this issue, the issue shall be resolved through the Dispute Resolution process contained in this Agreement.

(A)3.11.3 USW makes no representations or warranties regarding the configuration, identity, or number of telephone exchanges covered by this Agreement. Nothing in this Agreement therefore shall be deemed to limit or restrict the right of USW to sell, lease, transfer, assign, or hypothecate any of its assets, rights, title or interests in or to any of its property or rights, including but not limited to the telephone exchange(s) in which it conducts its business. Likewise nothing in this Agreement shall be deemed to limit or restrict the right of USW to acquire, buy, procure, lease, or mortgage any assets, rights, title, or interest in or to any property or rights, including but not limited to the telephone exchange(s) in which it conducts its business. If USW should sell or otherwise transfer and assign to an unaffiliated third party all or substantially all of its assets and rights with respect to a telephone exchange(s) which is covered by this Agreement, then as to such exchange(s), this Agreement shall terminate upon the effective date of such sale or other transfer. USW shall provide McLeodUSA with as much advance notice of such sale or transfer as is reasonably possible.

(A)3.12 Default

If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other material provision of this Agreement, and such default or violation shall continue for thirty (30) calendar days after written notice thereof,

the other Party may seek relief in accordance with the Dispute Resolution provision of this Agreement. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

(A)3.13 Disclaimer of Agency

Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

(A)3.14 Nondisclosure

(A)3.14.1 All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with end user specific, facility specific, or usage specific information, other than end user information communicated for the purpose of providing directory assistance or publication of directory database, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) calendar days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information. A Party who delivers Proprietary Information via an oral communication may request written confirmation that the Party receiving the information understands that the material is Proprietary Information.

(A)3.14.2 Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.

- (A)3.14.3 Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only in connection with this Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.
- (A)3.14.4 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information as:
 - (A)3.14.4.1 was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; or
 - (A)3.14.4.2 is or becomes publicly known through no wrongful act of the receiving Party; or
 - (A)3.14.4.3 is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
 - (A)3.14.4.4 is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
 - (A)3.14.4.5 is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or
 - (A)3.14.4.6 is approved for release by written authorization of the disclosing Party; or
 - (A)3.14.4.7 is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.
- (A)3.14.5 Nothing herein is intended to prohibit a Party from supplying factual information about its network and Telecommunications Services on or connected to its network to regulatory agencies including the

Federal Communications Commission and the Commission so long as any confidential obligation is protected.

- (A)3.14.6 Effective Date Of This Section. Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

(A)3.15 Survival

Any liabilities or obligations of a Party for acts or omissions prior to the cancellation or termination of this Agreement; any obligation of a Party under the provisions regarding indemnification, Confidential or Proprietary Information, limitations of liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, shall survive cancellation or termination hereof.

(A)3.16 Dispute Resolution

- (A)3.16.1 If any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents should arise, and the Parties do not resolve it in the ordinary course of their dealings (the "Dispute"), then it shall be resolved in accordance with the dispute resolution process set forth in this Section. Each notice of default, unless cured within the applicable cure period, shall be resolved in accordance herewith.
- (A)3.16.2 At the written request of either Party, and prior to any other formal dispute resolution proceedings, each Party shall designate an officer-level employee, at no less than the vice president level, to review, meet, and negotiate, in good faith, to resolve the Dispute. The Parties intend that these negotiations be conducted by non-lawyer, business representatives, and the locations, format, frequency, duration, and conclusions of these discussions shall be at the discretion of the representatives. By mutual agreement, the representatives may use other procedures, such as mediation, to assist in these negotiations. The discussions and correspondence among the representatives for the purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, and shall be exempt from discovery and production, and shall not be admissible in any subsequent arbitration or other proceedings without the concurrence of both of the Parties.
- (A)3.16.3 If the vice-presidential level representatives have not reached a resolution of the Dispute within thirty (30) calendar days after the matter is referred to them, then either Party may demand that the Dispute be settled by arbitration. Such an arbitration proceeding

shall be conducted by a single arbitrator, knowledgeable about the telecommunications industry. The arbitration proceedings shall be conducted under the then current rules of the American Arbitration Association ("AAA"). The Federal Arbitration Act, 9 U.S.C. Sections 1-16, not state law, shall govern the arbitrability of the Dispute. The arbitrator shall not have authority to award punitive damages. All expedited procedures prescribed by the AAA rules shall apply. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator. The arbitration proceedings shall occur in the Denver, Colorado metropolitan area. It is acknowledged that the Parties, by mutual, written agreement, may change any of these arbitration practices for a particular, some, or all Dispute(s).

- (A)3.16.4 Should it become necessary to resort to court proceedings to enforce a Party's compliance with the dispute resolution process set forth herein, and the court directs or otherwise requires compliance herewith, then all of the costs and expenses, including its reasonable attorney fees, incurred by the Party requesting such enforcement shall be reimbursed by the non-complying Party to the requesting Party.
- (A)3.16.5 Nothing in this Section is intended to divest or limit the jurisdiction and authority of the Commission or the Federal Communications Commission as provided by state or federal law.
- (A)3.16.6 No Dispute, regardless of the form of action, arising out of this Agreement, may be brought by either Party more than two (2) years after the cause of action accrues.

(A)3.17 Controlling Law

This Agreement was negotiated by the Parties in accordance with the terms of the Act and the laws of the state where service is provided hereunder. It shall be interpreted solely in accordance with the terms of the Act and the applicable state law in the state where the service is provided.

(A)3.18 Joint Work Product

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

(A)3.19 Responsibility for Environmental Contamination

Neither Party shall be liable to the other for any costs whatsoever resulting from the presence or release of any environmental hazard that either Party did not introduce to the affected work location. Both Parties shall defend and hold harmless the other, its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from (i) any environmental hazard that the indemnifying Party, its contractors or agents introduce to the work locations or (ii) the presence or release of any environmental hazard for which the indemnifying Party is responsible under applicable law.

(A)3.20 Notices

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

USW

Director Interconnection Compliance
1801 California, Room 2410
Denver, CO 80202

With copy to:

U S WEST Law Department
Attention: General Counsel, Interconnection
1801 California Street, 49th Floor
Denver, CO 80202

McLeodUSA

Director Interconnection Compliance
400 S. Hwy. 169, Room 750
Minneapolis, MN 55426
(612) 252-5083

Each Party shall inform the other of any changes in the above addresses.

(A)3.21 Responsibility of Each Party

Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it

or its contractors or agents bring to, create or assume control over at work locations or, (ii) waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the work locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees, agents and contractors during the performance of that Party's obligations hereunder.

(A)3.22 No Third Party Beneficiaries

This Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

(A)3.23 Referenced Documents

All references to Sections shall be deemed to be references to Sections of this Agreement unless the context shall otherwise require. Whenever any provision of this Agreement refers to a technical reference, technical publication, McLeodUSA practice, USW practice, any publication of telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda, or successors) of such document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document incorporated by reference in such a technical reference, technical publication, McLeodUSA practice, USW practice, or publication of industry standards. The existing configuration of either Party's network may not be in immediate compliance with the latest release of applicable referenced documents.

(A)3.24 Publicity

Neither Party shall publish or use any publicity materials with respect to the execution and delivery or existence of this Agreement without the prior written approval of the other Party.

(A)3.25 Amendment

McLeodUSA and USW may mutually agree to amend this Agreement in writing. Since it is possible that amendments to this Agreement may be needed to fully satisfy the purposes and objectives of this Agreement, the Parties agree to work cooperatively, promptly and in good faith to negotiate and implement any such additions, changes and corrections to this Agreement.

(A)3.26 Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

(A)3.27 Headings of No Force or Effect

The headings of Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

(A)3.28 Regulatory Approval

The Parties understand and agree that this Agreement will be filed with the Commission for approval. In the event the Commission rejects any portion of this Agreement, renders it inoperable or creates an ambiguity that requires further amendment, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification.

(A)3.29 Compliance

Each Party shall comply with all federal, state, and local laws, rules and regulations applicable to its performance under this Agreement. Without limiting the foregoing, USW and McLeodUSA agree to take all action necessary to keep and maintain in full force and effect all permits, licenses, certificates, insurance, and other authorities needed to perform their respective obligations hereunder.

(A)3.30 Compliance with the Communications Assistance for Law Enforcement Act of 1994 (“CALEA”)

Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with CALEA. Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

(A)3.31 Cooperation

The Parties agree that this Agreement involves the provision of USW services in ways such services were not previously available and the introduction of new processes and procedures to provide and bill such services. Accordingly, the Parties agree to work jointly and cooperatively in testing and implementing processes for pre-ordering, ordering, maintenance, provisioning and billing and in reasonably resolving issues which result from such implementation on a timely basis. Electronic processes and procedures are addressed in Part D of this Agreement.

PART B - RESALE

(B)1. Description

- (B)1.1 USW Basic Exchange Telecommunications Service, Basic Exchange Features, and IntraLATA Toll originating from USW exchanges will be available for resale from USW pursuant to the Act and will include terms and conditions (except prices) in USW Tariffs, where applicable. McLeodUSA may obtain IntraLATA toll service from USW for resale or McLeodUSA has the option to obtain IntraLATA toll for resale from another provider.
- (B)1.2 The Parties agree that certain USW services are not available for resale under this Agreement and certain other USW services are available for resale but not at a discount, as identified in Part E or in individual state Tariffs. The availability of services and applicable discounts identified in Part E or in individual Tariffs are subject to change pursuant to the Rates and Charges sub-section of this Resale section.

(B)2. Terms and Conditions

- (B)2.1 Basic Exchange Telecommunications Service, Basic Exchange Features, and IntraLATA Toll may be resold only for their intended or disclosed use and only to the same class of end user to which USW sells such services (e.g., residence service may not be resold to business end users). Service provided directly to McLeodUSA for its own use, such as administrative services, must be identified by McLeodUSA and McLeodUSA must pay the full retail rates and prices for such services.
- (B)2.2 USW shall provide to McLeodUSA Telecommunications Services for resale that are substantially similar in quality, subject to the same conditions related to the delivery of Telecommunications Services (including the conditions in USW's effective Tariffs), within provisioning time intervals that are substantially equal to the intervals USW provides these services to others, including other Reseller's and end users, and in accordance with any applicable Commission service quality standards, including standards the Commission may impose pursuant to Section 252 (e)(3) of the Act.
- (B)2.3 In the event that there are existing agreements between McLeodUSA and USW for resale under USW retail Tariff discounts, McLeodUSA may elect to continue to obtain services for resale under the existing agreements and retail Tariff discounts or McLeodUSA may elect to terminate such existing agreements and obtain such services under this Agreement with the associated wholesale discount specified in Part E of this Agreement. Services obtained for resale are not entitled to both a retail Tariff discount and a wholesale discount.

- (B)2.4 In accordance with the Act, McLeodUSA will provide the date it will begin to offer Telecommunications Services to residential and business end users. McLeodUSA will provide a three (3) year forecast within ninety (90) calendar days of signing this Agreement. During the first year of the term of this Agreement, the forecast shall be updated and provided to USW on a quarterly basis. Thereafter, during the term of this Agreement McLeodUSA will provide updated forecasts from time to time, as requested by USW. The initial forecast will provide:

The date service will be offered (by city and/or state)
The type and quantity of service(s) which will be offered
McLeodUSA's anticipated number of service orders
Name of McLeodUSA's key contact personnel

The information provided pursuant to this paragraph shall be considered Proprietary Information under the Nondisclosure Section of this Agreement.

- (B)2.5 McLeodUSA may not reserve blocks of USW telephone numbers, except as allowed by Tariffs.

- (B)2.6 USW will accept at no charge one primary listing for each main telephone number belonging to McLeodUSA's end user based on end user information provided to USW by McLeodUSA. USW will place McLeodUSA's listings in USW's directory listing database for directory assistance purposes. Additional terms and conditions with respect to directory listings are described in Part C of this Agreement.

- (B)2.7 USW shall provide to McLeodUSA, for McLeodUSA's end users, E911/911 call routing to the appropriate Public Safety Answering Point ("PSAP"). McLeodUSA must provide to USW accurate end-user information to ensure appropriate listings in any databases in which USW is required to retain and/or maintain end-user information. USW shall provide and validate McLeodUSA's end user information to the Automatic Location Identification/Database Management System ("ALI/DMS"). USW shall use its standard process to update and maintain, on the same schedule that it uses for its end users, McLeodUSA's end user service information in the ALI/DMS used to support E911/911 services. USW assumes no liability for the accuracy of information provided by McLeodUSA.

- (B)2.8 If USW provides and McLeodUSA accepts operator services, directory assistance, and intraLATA long distance as a part of the resold line, it will be offered with standard USW branding. McLeodUSA is not permitted to alter the branding of these services in any manner when the services are a part of the resold line without the prior written approval of USW. However, at the request of McLeodUSA and where technically feasible, USW will rebrand operator services and directory assistance in McLeodUSA's name, provided the charges associated with such rebranding are paid by McLeodUSA.

- (B)2.9 McLeodUSA shall designate the Primary Interexchange Carrier (PIC) assignments on behalf of its end users for interLATA services and intraLATA services.
- (B)2.10 When end users switch from USW to McLeodUSA, or to McLeodUSA from any other Reseller, such end users shall be permitted to retain their current telephone numbers if they so desire and do not change their service address to an address served by a different central office. USW shall take no action to prevent McLeodUSA end users from retaining their current telephone numbers.
- (B)2.11 McLeodUSA is liable for all fraud associated with service to its end-users and accounts. USW takes no responsibility, will not investigate, and will make no adjustments to McLeodUSA's account in cases of fraud unless such fraud is the result of any intentional act or gross negligence of USW. Notwithstanding the above, if USW becomes aware of potential fraud with respect to McLeodUSA's accounts, USW will promptly inform McLeodUSA and, at the direction of McLeodUSA, take reasonable action to mitigate the fraud where such action is possible.
- (B)2.12 Resold services are available only where facilities currently exist and are capable of providing such services without construction of additional facilities or enhancement of existing facilities. However, if McLeodUSA requests that facilities be constructed or enhanced to provide resold services, USW will review such requests on a case-by-case basis and determine if it is economically feasible for USW to build or enhance facilities. If USW decides to build or enhance the requested facilities, USW will develop and provide to McLeodUSA a price quote for the construction. Construction charges associated with resold services will be applied in the same manner that construction charges apply to USW's retail end users. If the quote is accepted, McLeodUSA will be billed the quoted price and construction will commence after receipt of payment.
- (B)2.13 In the event USW terminates the provisioning of any resold services to McLeodUSA for any reason, including McLeodUSA's non-payment of charges, McLeodUSA shall be responsible for providing any and all necessary notice to its end users of the termination. In no case shall USW be responsible for providing such notice to McLeodUSA's end users. USW will provide notice to McLeodUSA of USW's termination of a resold service on a timely basis consistent with Commission rules and notice requirements.
- (B)2.14 The underlying network provider of a resold service shall be entitled to receive, from the purchaser of Switched Access, the appropriate access charges pursuant to its then effective Switched Access Tariff.

(B)3. Rates and Charges

- (B)3.1 The Telecommunications Services identified in Part E are available for resale at the wholesale discount percentage shown in Part E. Telecommunications Services available for resale but excluded from the wholesale pricing arrangement in this Agreement are available at the retail Tariff rates.
- (B)3.2 The Customer Transfer Charges (CTC) as specified in Part E apply when transferring services to McLeodUSA.
- (B)3.3 A Subscriber Line Charge (SLC), or any subsequent federally mandated charge to end users, will continue to be paid by McLeodUSA without discount for each local exchange line resold under this Agreement. All federal and state rules and regulations associated with SLC as found in the applicable Tariffs also apply.
- (B)3.4 McLeodUSA will pay to USW the PIC change charge without discount for McLeodUSA end user changes of interexchange or intraLATA carriers. Any change in McLeodUSA's end users' interexchange or intraLATA carrier must be requested by McLeodUSA on behalf of its end user.
- (B)3.5 McLeodUSA agrees to pay USW when its end user activates any services or features that are billed on a per use or per activation basis subject to the applicable discount in Part E as such may be amended pursuant to this Section (e.g., continuous redial, last call return, call back calling, call trace, etc.).
- (B)3.6 Product specific non-recurring charges, as set forth in USW's applicable Tariffs, without a discount, will apply when additional lines, trunks or circuits are added or when the end user adds features or services to existing lines or trunks.
- (B)3.7 Miscellaneous charges, if applicable, will be consistent with charges for equivalent services ordered by USW end users.
- (B)3.8 The wholesale discount rates in Part E established in the Washington Docket No. UT-960309, "In the Matter of the Petition for Arbitration of an Interconnection Agreement between AT&T Communications of the Pacific Northwest, Inc. and U S WEST Communications, Inc., for Arbitration of the Interconnection Rates, Terms and Pursuant to 47 U.S.C. Sec. 252(b) of the Telecommunications Act of 1996", (the "AT&T Arbitration") are interim rates and are pending the outcome of a final Commission decision in an interconnection cost docket. Such rates, as adopted in this Agreement, will be subject to true-up from the date those rates became effective in this Agreement to the effective date of the final interconnection cost docket order. Notwithstanding this true-up obligation, the Parties agree that rates in this Agreement will remain in effect as described below until the exhaustion of all appeals of the final order in the interconnection cost docket.

- (B)3.9 The Parties intend that, if the AT&T rates or the services in the AT&T Arbitration are changed by any negotiations, appeal, stay, injunction, settlement, or similar proceeding with respect to AT&T, those rates and services, if they have been adopted into this Agreement, shall be changed in this Agreement to the same extent as the rates and services in the AT&T Arbitration. Notwithstanding the above, the Parties agree that in the event a stay or injunction is granted with respect to the implementation of the services and rates in the AT&T Arbitration, the Parties agree that the telecommunications services still available for resale following the stay or injunction will be available to McLeodUSA, effective as of the date of the stay order or injunction, at a wholesale discount rate of 12% (the "Standard Rate") until such time as a nonappealable order establishes a wholesale discount rate(s). If the Standard Rate becomes effective pursuant to this paragraph, the Standard Rate will also be subject to true-up to the rate(s) established in the nonappealable order for the period that the Standard Rate was in effect. If the AT&T rates or the applicability of the rate to the services in Part E is changed by a nonappealable administrative or judicial order following approval of negotiated rates, rates reached in an approved settlement agreement, a decision on appeal or other similar proceeding, such changed rate(s) will be available to McLeodUSA, effective as of the date of the order. The AT&T rate shall be subject to true-up to the changed rates for the period of time the AT&T rate was in effect. Notwithstanding the above, no true-up of either the Standard Rate or the AT&T rate will occur unless ordered as a part of the nonappealable administrative or judicial order.
- (B)3.10 USW shall have a reasonable time necessary to make the system changes necessary to implement and bill the changed rates.
- (B)3.11 If the resold services are purchased pursuant to Tariffs and the Tariff rates change, charges billed to McLeodUSA for such services will be based upon the new Tariff rates less the applicable wholesale discount, if any, as agreed to herein or as established by Commission order and/or resale Tariff. The new rate will be effective upon the Tariff effective date.

(B)4. Ordering Process

- (B)4.1 McLeodUSA, or McLeodUSA's agent, shall act as the single point of contact for its end users' service needs, including without limitation, sales, service design, order taking, provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, billing, collection and inquiry. McLeodUSA shall make it clear to its end users that they are end users of McLeodUSA for resold services. McLeodUSA's end users contacting USW will be instructed to contact McLeodUSA; however, nothing in this Agreement, except as provided below, shall be deemed to prohibit USW from discussing its products and services with McLeodUSA's end users who call USW.

- (B)4.2 McLeodUSA shall transmit to USW all information necessary for the ordering (billing, listing and other information), installation, repair, maintenance and post-installation servicing according to USW's standard procedures, as described in the USW Interconnect & Resale Resource Guide available on USW's Web site. Information shall be provided using USW's designated Local Service Request (LSR) format which may include the LSR, end user and resale forms. McLeodUSA must send USW complete and accurate end user listing information for Directory Assistance, Directory Listings, and 911 Emergency Services using USW's designated resale directory listing order forms. When USW's end user or the end user's new service provider orders the discontinuance of the end user's existing service in anticipation of moving to another service provider, USW will render its closing bill to the end user effective with the disconnection. If USW is not the local service provider, USW will issue a bill to McLeodUSA for that portion of the service provided to McLeodUSA should McLeodUSA's end user, a new service provider, or McLeodUSA request service be discontinued to the end user. USW will notify McLeodUSA by FAX, OSS interface or other agreed upon processes, in accordance with Section (D)2.5, when an end user moves to another service provider. USW will not provide McLeodUSA with the name of the other Reseller or service provider selected by the end user.
- (B)4.3 McLeodUSA shall provide USW and USW shall provide McLeodUSA with points of contact for order entry, problem resolution and repair of the resold services.
- (B)4.4 Prior to placing orders on behalf of the end user, McLeodUSA shall be responsible for obtaining and have in its possession Proof of Authorization ("POA"), as set forth in Part A of this Agreement.
- (B)4.5 Due date interval standards are addressed in the Interconnect & Resale Resource Guide.
- (B)4.6 Firm Order Confirmation (FOC) guidelines are addressed in the Interconnect & Resale Resource Guide.
- (B)4.7 USW will provide completion notification that is equal to that provided to USW end users.
- (B)4.8 USW will provide Design Layout Records when requested under terms and conditions consistent with USW end users.
- (B)4.9 USW will handle jeopardies based upon the same performance standards and criteria as USW provides to itself.

(B)5. Billing

- (B)5.1 USW shall bill McLeodUSA and McLeodUSA is responsible for all applicable charges for the resold services as provided herein. McLeodUSA shall also

be responsible for all Tariffed charges and charges separately identified in this Agreement associated with services that McLeodUSA resells to an end user under this Agreement.

- (B)5.2 USW shall provide McLeodUSA, on a monthly basis, within 7-10 calendar days of the last day of the most recent billing period, in an agreed upon standard electronic billing format as detailed in Part D, billing information including (1) a summary bill, and (2) individual end user sub-account information consistent with the samples available for McLeodUSA review.
- (B)5.3 USW may discontinue processing orders for the failure by McLeodUSA to make full payment for the resold services provided under this Agreement within thirty (30) calendar days of the due date on McLeodUSA's bill.
- (B)5.4 USW may disconnect for the failure by McLeodUSA to make full payment for the resold services provided under this Agreement within sixty (60) calendar days of the due date on McLeodUSA's bill. McLeodUSA will pay the Tariff charge required to reconnect each end user line disconnected pursuant to this paragraph.

(B)6. Maintenance and Repair

McLeodUSA and USW will employ the procedures for handling misdirected repair calls as specified in the Maintenance and Repair Section of this Agreement.

PART C - WHITE PAGES DIRECTORY LISTINGS

(C)1. Description

White Pages Listings Service (Listings) consists of USW placing the names, addresses and telephone numbers of McLeodUSA's end users in USW's listing database, based on end user information provided to USW by McLeodUSA. USW is authorized to use Listings in Directory Assistance (DA) and as noted below.

(C)2. Terms and Conditions

- (C)2.1 McLeodUSA will provide in standard, mechanized format, and USW will accept at no charge, one primary listing for each main telephone number belonging to McLeodUSA's end users. Primary listings for McLeodUSA will include the end user Listings for any resold services or wireless services and are further defined in USW's general exchange Tariffs. McLeodUSA will be charged for premium and privacy listings, (e.g., additional, foreign, cross reference, informational, etc.), at USW's general exchange listing Tariff rates, less the wholesale discount. If McLeodUSA utilizes Remote Call Forwarding for local number portability, McLeodUSA can list only one number without charge - either the end user's original telephone number or McLeodUSA-assigned number. The standard discounted rate for an additional listing applies to the other number.
- (C)2.2 USW will furnish McLeodUSA the Listings format specifications. All manual requests are considered a project and require coordination between McLeodUSA and USW to determine time frames.
- (C)2.3 McLeodUSA grants USW a non-exclusive license to incorporate Listings information into its Directory Assistance database. With this license USW will incorporate Listings in the DA database.
- (C)2.4 No prior authorization is needed for USW to release Listings to directory publishers or other third parties. USW will incorporate Listings information in all existing and future directory assistance applications developed by USW. McLeodUSA authorizes USW to sell and otherwise make Listings available to directory publishers. Listings shall not be provided or sold in such a manner as to segregate end users by carrier. USW will not charge for updating and maintaining the Listings database. McLeodUSA will not receive compensation from USW for any sale of Listings by USW.

- (C)2.5 To the extent that state Tariffs limit USW's liability with regard to Listings, the applicable state Tariff(s) is incorporated herein and supersedes the Limitation of Liability section of this Agreement with respect to Listings only.
- (C)2.6 USW is responsible for maintaining Listings, including entering, changing, correcting, rearranging and removing Listings in accordance with McLeodUSA orders. USW will take reasonable steps in accordance with industry practices to accommodate non-published and non-listed Listings provided that McLeodUSA has supplied USW the necessary privacy indicators on such Listings.
- (C)2.7 USW will include McLeodUSA Listings in USW's Directory Assistance service to ensure that callers to USW's Directory Assistance service have non-discriminatory access to McLeodUSA's Listings.
- (C)2.8 USW will ensure McLeodUSA Listings provided to USW are included in the white pages directory published on USW's behalf.
- (C)2.9 McLeodUSA agrees to provide to USW its end user names, addresses and telephone numbers in a standard mechanized format, as specified by USW.
- (C)2.10 McLeodUSA will supply its ACNA/CIC or CLCC/OCN, as appropriate, with each order to provide USW the means of identifying Listings ownership.
- (C)2.11 Upon request by USW, McLeodUSA shall submit proof to USW, of authorization from each end user for which McLeodUSA submits a change in end user's Listing.
- (C)2.12 McLeodUSA represents and warrants the end user information provided to USW is accurate and correct. McLeodUSA further represents and warrants that it has reviewed all Listings provided to USW, including end user requested restrictions on use such as non-published and non-listed. McLeodUSA shall be solely responsible for knowing and adhering to state laws or rulings regarding Listings (e.g., no solicitation requirements in the states of Arizona and Oregon, privacy requirements in Colorado), and for supplying USW with the applicable Listing information.
- (C)2.13 McLeodUSA is responsible for all dealings with, and on behalf of, McLeodUSA's end users, including:
- (C)2.13.1 All end user account activity, (e.g. end user queries and complaints).

- (C)2.13.2 All account maintenance activity, (e.g., additions, changes, issuance of orders for Listings to USW).
- (C)2.13.3 Determining privacy requirements and accurately coding the privacy indicators for McLeodUSA's end user information. If end user information provided by McLeodUSA to USW does not contain a privacy indicator, no privacy restrictions will apply.
- (C)2.13.4 Any additional services requested by McLeodUSA's end users.

PART D- MISCELLANEOUS PROVISIONS

(D)1. Network Security

- (D)1.1 Protection of Service and Property - Each Party shall exercise the same degree of care to prevent harm or damage to the other Party and any third parties, its employees, agents or end users, or their property as it employs to protect its own personnel, end users and property, etc. Each Party shall comply at all times with USW security and safety procedures and requirements.
- (D)1.2 Revenue Protection - USW shall make available to McLeodUSA all present and future fraud prevention or revenue protection features. These features include, but are not limited to screening codes, and 900 numbers.
- (D)1.3 Law Enforcement Interface - USW provides emergency assistance to 911 centers and law enforcement agencies seven (7) days a week/twenty-four (24) hours a day. Assistance includes, but is not limited to release of 911 trace and subscriber information; in-progress trace requests; establishing emergency trace equipment, release of information from an emergency trap/trace or *57 trace; requests for emergency subscriber information; assistance to law enforcement agencies in hostage/barricade situations, kidnappings, bomb threats, extortion/scams, runaways and life threats.
- (D)1.4 USW provides trap/trace, pen register and Title III assistance directly to law enforcement, if such assistance is directed by a court order. This service is provided during normal business hours, Monday through Friday. Exceptions are addressed in the above paragraph. The charges for these services will be billed directly to the law enforcement agency, without involvement of McLeodUSA, for any lines served from USW Wire Centers or cross boxes.
- (D)1.5 In all cases involving telephone lines served from USW Wire Centers or cross boxes, USW will perform trap/trace Title III and pen register assistance directly with law enforcement. McLeodUSA will not be involved or notified of such actions, due to non-disclosure court order considerations, as well as timely response duties when law enforcement agencies are involved. Exceptions to the above will be those cases, as yet undetermined, where McLeodUSA must participate due to technical reasons wherein its circuitry must be accessed or modified to comply with law enforcement, or for legal reasons that may evolve over time. McLeodUSA will provide USW with a 24 hour a day, 7 days a week contact for processing such requests, should they occur.

(D)2. Access To Operational Support Systems (OSS)

USW has developed OSS interfaces using an electronic gateway solution consistent with the design prescribed by the FCC, Docket No. 96-98, FCC Release No. 96-325, paragraph 527. These gateways act as a mediation or control point between McLeodUSA's and USW's Operations Systems. These gateways provide security for

the interface, protecting the integrity of the USW network and its databases. USW's operational systems interfaces have been developed to support Pre-ordering, Ordering and Provisioning, Maintenance and Repair and Billing. Included below is a description of the products and functions supported by USW OSS interfaces and the technology used by each.

(D)2.1 OSS Support for Pre-Ordering, Ordering and Provisioning

(D)2.1.1 LSR (Local Service Request) Ordering Process

(D)2.1.1.1 McLeodUSA shall use the Electronic Connections Platforms for orders placed using the LSR Ordering Process when available for the services it supports. The Electronic Connections Platforms includes both the SOAR EDI interface and the IMA GUI interface.

(D)2.1.1.2 The SOAR EDI interface provides a single interface using SSL3 protocol for Pre-Order and Order transactions from McLeodUSA to USW and is transaction based, not batch based. The interface standards for the SOAR EDI are compliant with the OBF Local Service Order Guidelines (LSOG), TCIF Customer Service Guideline and the ANSI ASC X12 with exceptions as specified in the IMA disclosure documents which are provided in conjunction with the implementation responsibilities contained in this Section.

(D)2.1.1.3 The IMA GUI also provides a single interface for Pre-Order and Order transactions from McLeodUSA to USW and is browser based. The IMA GUI uses JAVA as the standard.

(D)2.1.1.4 The products that can be ordered via either the SOAR EDI or the IMA GUI interface are listed in the Interconnect & Resale Resource Guide.

(D)2.1.1.5 Functions

(D)2.1.1.5.1 Pre-ordering

Pre-Ordering refers to the set of activities performed in conjunction with placing an order. Packaged as a separate activity, pre-order consists of the following functions: verify an address, check service availability, return Customer Service Record information, check facility availability, check telephone number

availability, return telephone numbers, accept telephone numbers, check appointment availability, and reserve an appointment. The Electronic Connections Platforms provide on-line capabilities to perform these functions. Not all functions apply to all products; refer to the Interconnect & Resale Resource Guide for appropriate utilization. These functions are described as follows.

(D)2.1.1.5.1.1 Address Verification

This transaction will verify the end user's address. No detailed facility information (i.e., cable pair) will be returned as part of this transaction.

(D)2.1.1.5.1.2 Service Availability

This transaction will return the list of products and services available for resale in the Central Office serving a particular end user address.

(D)2.1.1.5.1.3 Customer Service Record Retrieval

Gives McLeodUSA the ability to request a display of local exchange services and features (CPNI) USW is currently providing to an end user. Rates associated with these services and features will not be displayed.

(D)2.1.1.5.1.4 Facility Availability

For each request that has a potential facility, this transaction will indicate if existing facilities are available or if new facilities are required, and if a technician must be dispatched to provide the facilities requested at the end user's address.

This transaction should be executed for any new line(s) or circuits.

This transaction does not reserve facilities and does not guarantee that facilities will be available when the work order is submitted.

(D)2.1.1.5.1.5 Telephone Number Availability

Enables a telephone number (TN) to be assigned to a line. McLeodUSA will be able to accept one or more TNs. If the end user requests a specific number, range of numbers, or a vanity number, McLeodUSA must call USW's ISC and the request will be handled manually.

(D)2.1.1.5.1.6 Telephone Number Accept

Allows McLeodUSA to select one or more TNs returned by the Telephone Number Availability transaction. Expiration periods for selection and submission are described in the Interconnect & Resale Resource Guide.

(D)2.1.1.5.1.7 Appointment Availability

Allows McLeodUSA to view a calendar of available appointments.

(D)2.1.1.5.1.8 Appointment Reservation

Enables McLeodUSA to select and reserve an available appointment after the appointment availability calendar has been returned to McLeodUSA by USW. Once the appointment period has been submitted, USW will return a confirmation number. Expiration periods for selection and submission are described in the Interconnect & Resale Resource Guide.

(D)2.1.1.5.2 Ordering and Provisioning

With the pre-ordering steps completed, the requisite information will have been obtained from McLeodUSA. Submitting an LSR will result in the provisioning and installation, if necessary, of an end user's service. The functional set associated with ordering is: submit an LSR, store a service request, request status, receive completion notification, and Firm Order Confirmation (FOC).

(D)2.1.1.5.2.1 Submit LSR

This transaction allows McLeodUSA to submit the LSR.

(D)2.1.1.5.2.2 Store Service Request

This transaction allows McLeodUSA to store a new or existing SR until the SR is supplemented, canceled, or completed, or for thirty (30) calendar days, whichever occurs first.

(D)2.1.1.5.2.3 Firm Order Confirmation

Once a service request is accepted by USW, the assigned service order number(s) is returned to McLeodUSA. This may not happen in real time. McLeodUSA can then use the service order number(s) or the PON(s) to status the work order. Firm Order Confirmation means that USW has received the service request, issued the order, and assigned an order number for tracking. In addition, it confirms the dates USW will meet.

(D)2.1.1.5.2.4 Status Query/Response

This transaction will allow McLeodUSA to obtain the status of a work order. USW will return the current status for the specified work order.

Note: This status request is issued by McLeodUSA on demand.

(D)2.1.1.5.2.5 Completion Notification

This transaction notifies McLeodUSA that the service request has been completed. If McLeodUSA is using IMA GUI, this notification is provided via a daily batch update. If McLeodUSA is using EDI SOAR, this notification is provided upon completion of the LSR.

(D)2.1.1.6 Forecast of Usage

(D)2.1.1.6.1 USW requires that McLeodUSA supply USW with a forecast of anticipated products to be ordered through the Electronic Connections Platforms. USW will use the product forecast to determine McLeodUSA's capacity on the IMA GUI or SOAR EDI server.

(D)2.1.1.6.2 USW will use McLeodUSA's forecast to ensure McLeodUSA has sufficient capacity to provide the services and elements requested. If McLeodUSA exceeds its capacity without notification, to the extent that it causes degradation to other users' response times, McLeodUSA's use of its capacity on the IMA or SOAR EDI server will be discontinued until a resolution can be mutually agreed to by both Parties. USW will attempt to notify McLeodUSA before discontinuing McLeodUSA's use of the IMA or SOAR EDI server; however USW reserves the right to discontinue use if it is unable to contact McLeodUSA.

(D)2.1.1.6.3 When McLeodUSA requests over twenty simultaneous connections, USW requires the use of a T1 line instead of dial-up capabilities.

(D)2.1.2 USW will continue to make improvements to the electronic interfaces as the technology evolves, providing notification to McLeodUSA consistent with the provisions of this Section.

(D)2.2 Maintenance and Repair

(D)2.2.1 Repair functions allow McLeodUSA to report trouble with communications circuits and POTS and design services provided by USW.

(D)2.2.2 McLeodUSA shall use the Electronic Connections Platforms for reporting trouble. The Electronic Connections Platforms are comprised of either the MEDIACC Electronic Bonding (EB) interface or the IMA GUI interface.

(D)2.2.3 The MEDIACC Electronic Bonding (EB) interface uses CMIP protocol over X.25 packet switching network using ANS T1M1.5 227/228 standards.

(D)2.2.4 The IMA GUI also provides a single interface for trouble reporting from McLeodUSA to USW and is browser based. The IMA GUI interface uses a Berkley Socket interface using ANSI T1M1.5 227/228 standards. The IMA GUI uses JAVA as the standard. The IMA GUI Interface currently supports trouble reporting for POTS and design services.

(D)2.2.5 Functions

(D)2.2.5.1 Maintenance and Repair - The functions, processes and systems used in repair are based on a Trouble Report (TR), which is an electronic document maintained in one or more Operations Systems. A TR contains information about the end user, the trouble, the status of the work on the trouble and the results of the investigation and resolution efforts. These business processes have been summarized and will be made available to McLeodUSA in the following functional set: open a trouble report, modify a trouble report, notification of status change, view trouble report status, cancel a trouble report, receive a trouble report history, resubmit/delete an erred trouble report and close a trouble report.

(D)2.2.5.1.1 Open Trouble Report - Gives McLeodUSA the capability to open a TR with USW. Once a TR has been successfully opened, USW sends an electronic transaction to McLeodUSA identifying information about the TR (e.g., Commitment Date and Tracking Number).

(D)2.2.5.1.2 Modify Trouble Report - Allows McLeodUSA to modify the trouble severity (for example; change from "service affecting" to "out of service") and trouble narrative on a TR until it has been cleared. This transaction is currently only supported for POTS.

(D)2.2.5.1.3 Status Change Notification - Provides notification to McLeodUSA that the status of a previously opened TR has changed. If McLeodUSA is using EB, McLeodUSA will receive this notification via an electronic transaction. If McLeodUSA is using the IMA GUI Interface, McLeodUSA will receive this notification via email and/or fax.

- (D)2.2.5.1.4 View Trouble Report Status/Trouble Report Status Request - If McLeodUSA is using IMA GUI, allows McLeodUSA to view the status of an opened Trouble Report. If McLeodUSA is using EB, USW sends an electronic transaction to McLeodUSA with the status of an opened TR after McLeodUSA sends an electronic transaction to request the status.
- (D)2.2.5.1.5 Cancel Trouble Report - Allows McLeodUSA to request to cancel a previously opened TR. Once a request to cancel is received, an orderly cessation of the trouble resolution process begins. If USW has completed any work before the trouble resolution process is stopped, charges to McLeodUSA may apply.
- (D)2.2.5.1.6 Trouble Report History - Provides McLeodUSA with historical information on up to the last three trouble reports. For POTS, the disposition and trouble report date and time are provided. For design services, the trouble report date and time, a text description of the disposition, the USW Trouble Report Number, and the trouble type are provided. This transaction is currently only available via IMA GUI.
- (D)2.2.5.1.7 Resubmit/Delete - Trouble reports can be resubmitted or deleted via IMA GUI if, prior to entering USW's OSS, the transaction fails or errors. This transaction is only valid if the TR has not entered USW's OSS. This transaction is currently only available via IMA GUI.
- (D)2.2.5.1.8 Close a Trouble Report - For POTS, USW closes the TR once work is complete. For design services, USW sends McLeodUSA a request for verification to close. McLeodUSA then authorizes or denies the closure. McLeodUSA has twenty-four (24) hours to respond. If a response is not received within that time frame, the TR will automatically be closed.

USW provides notification to McLeodUSA that a TR has been closed because the trouble was resolved. Additional information, (e.g., disposition, disposition description, outage

duration, maintenance of service, charge indicator) are also included. If McLeodUSA is using EB, McLeodUSA will receive this response via an electronic transaction. If McLeodUSA is using the IMA GUI Interface, McLeodUSA will receive this response via email and/or fax.

(D)2.3 Hours of Operation

USW Operational Support Systems will be available to McLeodUSA consistent with the USW retail operations and internal processes that support pre-ordering, ordering and provisioning, maintenance and repair, and billing as they are described in this Agreement.

(D)2.4 Billing

(D)2.4.1 For products billed out of the USW IABS system, USW will utilize the existing CABS/BOSS format and technology for the transmission of bills.

(D)2.4.2 For products billed out of the USW CRIS systems, USW will utilize the existing EDI standard for the transmission of monthly local billing information. EDI is an established standard under the auspices of the American National Standards Institute/Accredited Standards Committee (ANSI/ASC) X12 Committee. A proper subset of this specification has been adopted by the Telecommunications Industry Forum (TCIF) as the "811 Guidelines" specifically for the purposes of telecommunications billing.

(D)2.5 Outputs

Output information will be provided to McLeodUSA in the form of bills, files, and reports. Bills will capture all regular monthly and incremental/usage charges and present them in a summarized format. The files and reports delivered to McLeodUSA provide more detailed information than the bills. They come in the following categories:

Usage Record File	Line Usage Information
Loss and Completion	Order Information
Category 11	Facility Based Line Usage Information
SAG/FAM	Street Address/Facility Availability Information

(D)2.5.1 Bills

(D)2.5.1.1 CRIS Summary Bill - The CRIS (Customer Record Information System) Summary Bill represents a monthly summary of charges for most wholesale products sold by USW. This bill includes a total of all charges by entity plus a summary of current charges and adjustments on each sub-account. Individual sub-accounts are provided as billing detail and contain monthly, one time charges and incremental/call detail information. This provides one bill and one payment document for McLeodUSA. These bills are segmented by state and bill cycle. The number of bills received by McLeodUSA is dictated by the product ordered and the USW region in which McLeodUSA is operating. These bills are provided as described in the Interconnect Resource and Resale Guide.

(D)2.5.1.2 IABS Bill - The IABS (Interexchange Access Billing System) Bill represents a monthly summary of charges.

This bill includes monthly and one time charges plus a summary of any usage charges. These bills are segmented by product, LATA, billing account number (BAN) and bill cycle. The list of products and the bill media can be found in the Interconnect Resource and Resale Guide.

(D)2.5.2 Files and Reports

(D)2.5.2.1 Daily Usage Record File

This file provides the accumulated set of call information for a given day as captured, or "recorded" by the network switches. This file will be transmitted Monday through Friday. This information is a file of unrated USW originated usage messages and rated McLeodUSA originated usage messages. It is provided in ATIS standard EMI format. This EMI format is outlined in the document SR-320; which can be obtained directly from ATIS. The Daily Usage Record File contains multi-state data for the Data Processing Center generating this information. Individual state identification information is contained with the message detail. USW will provide this data to McLeodUSA with the same level of precision and accuracy it provides itself. Such precision cannot and

will not exceed the current capabilities of the software in the switches today. This file will be provided for the following list of products:

Resale

The file will be provided as described in the Interconnect Resource and Resale Guide.

The charge for this Daily Usage Record File is contained in Part E of this Agreement.

Routing of in-region IntraLATA Collect, Calling Card, and Third Number Billed Messages - USW will distribute in-region intraLATA collect, calling card, and third number billed messages to McLeodUSA and exchange with other Co-Providers operating in region in a manner consistent with existing inter-company processing agreements. Whenever the daily usage information is transmitted to a carrier, it will contain these records for these types of calls as well.

- (D)2.5.2.2 Loss Report - Individual reports will be provided for the following list of products:

Resale

The report will be provided as described in the Interconnect Resource and Resale Guide.

- (D)2.5.2.3 Completion Report - Individual reports will be provided for the following list of products:

Resale

The report will be provided as described in the Interconnect Resource and Resale Guide.

- (D)2.5.2.4 Category 11 Records- These Exchange Message Records (EMR) provide mechanized record formats that can be used to exchange access usage information between USW and McLeodUSA. Category 1101 series records are used to exchange detailed access usage information.

Category 1150 series records are used to exchange summarized meet Point billed access minutes-of-use.

These mechanized records are available from USW in the following formats:

NDM (direct connect or dial-up)
Comet
Tape
Cartridge

(D)2.5.2.5 SAG/FAM Files - The SAG (Street Address Guide)/FAM (Facility Availability Matrix) files contain the following information:

SAG provides: - Address and Serving Central Office Information.

FAM provides: - USOCs and descriptions by state - (POTS services only). USOC availability by NPA-NXX (with the exception of Centrex). InterLATA/IntraLATA carriers by NPA-NXX.

These files are made available via a download process. They can be retrieved by ftp (file transfer protocol), NDM (Network Data Mover) connectivity, or a Web browser.

(D)2.6 Modifications to OSS Interfaces

McLeodUSA and USW agree to discuss the modification of OSS interfaces based upon evolving standards (e.g., data elements, protocols, transport networks, etc.) and guidelines issued by or referenced by relevant Alliance for Telecommunication Industry Solution (ATIS) committees. Establishment of new, or changes to industry standards and guidelines will be reviewed on no less than a quarterly basis commencing on the effective date of this Agreement. This review will consider standards and guidelines that have reached final closure as well as those published in final form. Both Parties agree to evaluate evolving standards and determine the relevant modification to be implemented based upon the latest approved version adopted or the latest version reflecting final closure by the relevant ATIS committee or subcommittee. The Parties will use reasonable effort to reach closure upon the necessary changes within no more than three (3) months of initiating each review and to implement the changes within nine (9) months or earlier, if reasonably possible, unless there is agreement to a different implementation schedule.

(D)2.6.1 In the course of establishing operational ready system interfaces between USW and McLeodUSA to support local service delivery, McLeodUSA and USW may need to define and implement system interface specifications that are supplemental to existing standards. McLeodUSA and USW will submit such specifications to the

appropriate standards committee and will work towards its acceptance as a standard.

(D)2.6.2 Release updates will be based on regulatory obligations as dictated by the FCC or Commissions and, as time permits, the agreed to changes requested by the FORUM. USW will provide to McLeodUSA the features list for modifications to the interface ninety (90) days prior to any release date. Specifications for interface modifications will be provided to McLeodUSA three (3) weeks prior to the release date. McLeodUSA is required to upgrade to the current release within six (6) months of the installation date.

(D)2.6.3 This Part D constitutes the entirety of the OSS agreement. Nothing beyond what is described herein, should be implied or inferred.

(D)2.7 McLeodUSA Responsibilities for Implementation of OSS Interfaces

(D)2.7.1 Before any McLeodUSA implementation can begin, McLeodUSA must completely and accurately answer the New Customer Questionnaire. This questionnaire is provided by the USW account manager and details information needed by USW to establish service for McLeodUSA.

(D)2.7.2 Once USW receives a complete and accurate New Customer Questionnaire, USW and McLeodUSA will mutually agree upon time frames for McLeodUSA implementation.

(D)2.7.3 If using the SOAR EDI interface, USW will provide McLeodUSA with a copy of the Production Readiness Verification document. McLeodUSA is obligated to meet the requirements specified in the Production Readiness Verification document regardless of whether McLeodUSA chooses to participate in the Production Readiness Verification Test.

(D)2.8 McLeodUSA Responsibilities for On-going Support for OSS Interfaces

(D)2.8.1 If using the IMA GUI interface, McLeodUSA must work with USW to train McLeodUSA personnel on the IMA GUI functions that McLeodUSA will be using. USW and McLeodUSA shall concur on which IMA GUI functions should be included in McLeodUSA training.

(D)2.8.2 An exchange protocol will be used to transport EDI formatted content. McLeodUSA must perform certification testing of exchange protocol prior to using SOAR EDI.

(D)2.8.3 If McLeodUSA is using SOAR EDI, USW shall provide McLeodUSA with a pre-allotted amount of time to complete certification of its business scenarios. It is the sole responsibility of McLeodUSA to

schedule an appointment with USW for certification of its business scenarios. McLeodUSA must comply with the agreed upon dates and times scheduled for the certification of its business scenarios. If the certification of business scenarios is delayed due to McLeodUSA, it is the sole responsibility of McLeodUSA to schedule new appointments for certification of its business scenarios. Conflicts in the schedule could result in certification being delayed. If a delay is due to USW, USW will honor McLeodUSA's schedule through the use of alternative hours.

(D)2.8.4 If McLeodUSA is using the SOAR EDI interface, McLeodUSA must work with USW to certify the business scenarios that McLeodUSA will be using in order to ensure successful transaction processing. USW and McLeodUSA shall mutually agree to the business scenarios for which McLeodUSA is required to be certified. Certification is granted only for a specific release of SOAR EDI. New releases of SOAR EDI may require re-certification of some or all business scenarios. A determination as to the need for re-certification will be made by the USW Coordinator in conjunction with the release manager of each SOAR EDI release. Notice of the need for re-certification will be provided to McLeodUSA three (3) weeks prior to the release date.

(D)2.8.5 In the event of Electronic Interface trouble, McLeodUSA shall use its best efforts to isolate and resolve the trouble using the guidelines provided in the Production Readiness Verification document. If McLeodUSA cannot resolve the problem, then McLeodUSA should contact the LSP Systems Help Desk. The LSP Systems Help Desk is McLeodUSA's Single Point of Contact for Electronic Interface trouble.

(D)2.9 LSP Systems Help Desk

(D)2.9.1 The LSP Systems Help Desk will provide a single point of entry for McLeodUSA to gain assistance in areas involving connectivity; system availability of SOAR EDI and IMA GUI; and File Outputs. These areas are further described below.

(D)2.9.1.1 Connectivity

Connectivity covers trouble with McLeodUSA's access to the USW System for Hardware configuration requirements with relevance to SOAR EDI and IMA GUI; software configuration requirements with relevance to SOAR EDI and IMA GUI; modem configuration requirements; T1 configuration and dial in string requirements; firewall access configuration;

SecurID configuration; Profile Setup and password verification.

(D)2.9.1.2 System Availability of SOAR EDI and IMA GUI System

System availability covers system errors generated during an attempt by McLeodUSA to place orders or open trouble reports through SOAR EDI and IMA GUI. These system errors are limited to: POTS; Design Services and Repair.

(D)2.9.1.3 File Outputs

File Outputs covers McLeodUSA's output files and reports produced from its usage and order activity.

File outputs system errors are limited to: Daily Usage File; Loss / Completion File; IABS Bill; CRIS Summary Bill; Category 11 Report and SAG/FAM Reports.

(D)2.9.2 The LSP Systems Help Desk does not support status or trouble while the Service Order is processing through the ISC.

(D)2.9.3 Hours of Operation

The LSP Systems Help Desk is available Monday through Friday, 6:00 a.m. until 8:00 p.m. Mountain Time, excluding USW holidays.

(D)2.10 Compensation / Cost Recovery

On-going and one-time startup charges, as applicable, will be billed at rates to be specified by the Commission at the completion of an appropriate cost docket hearing. For any systems charges not included in an appropriate cost docket hearing and that pertain to any of the OSS provisions contained herein, rates will be established on an individual case basis.

(D)3. U S WEST Dex

USW and McLeodUSA agree that certain issues outside the provision of basic white page directory listings, such as yellow pages advertising, yellow pages listings, directory coverage, directory distribution, access to call guide pages (phone service pages), applicable listings criteria, white page enhancements and publication schedules will be the subject of negotiations between McLeodUSA and directory publishers, including U S WEST Dex. USW acknowledges that McLeodUSA may request USW to facilitate discussions between McLeodUSA and U S WEST Dex.

(D)4. Notice Of Changes

Notice should be written and provide pertinent descriptive information of such changes, within the limitations of confidentiality and disclosure, such that the other Party can evaluate potential effects. Also included with the written notice should be contact names and phone numbers for subsequent discussions.

This is good faith effort on the part of the Parties and will evolve over time as required for effective interconnection and end user service delivery.

(D)5. Maintenance and Repair

(D)5.1 Service Levels

- (D)5.1.1 USW will provide repair and maintenance for all services covered by this Agreement in a manner equal to that which USW provides for itself.
- (D)5.1.2 During the term of this Agreement, USW will provide necessary maintenance process support to allow McLeodUSA to provide similar service quality to that provided by USW to its end users.
- (D)5.1.3 USW will perform repair service that is equal in timeliness and quality to that which it provides to its own end users.

(D)5.2 Branding

- (D)5.2.1 Should USW need to use various forms for communication with McLeodUSA end users (while out on premise dispatches on behalf of McLeodUSA, for example), USW will use unbranded forms.
- (D)5.2.2 If required by McLeodUSA, USW will use branded forms at McLeodUSA's full expense, covering training costs, storage, printing, distribution and all other branding-related costs.

(D)5.3 Service interruptions

- (D) 5.3.1 The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not: 1) interfere with or impair service over any facilities of the other Party; its affiliated companies, or its connecting and concurring carriers involved in its services; 2) cause damage to their plant; 3) violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities; or 4) create hazards to the employees of either Party or to

the public. Each of these requirements is hereinafter referred to as an "Impairment of Service".

- (D) 5.3.2 If it is confirmed that either Party is causing an Impairment of Service, as set forth in this Section, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem. The Impaired Party shall advise the Impairing Party that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, the Impaired Party may temporarily discontinue use of the affected circuit, facility or equipment.
- (D) 5.3.3 To facilitate trouble reporting and to coordinate the repair of the service provided by each Party to the other under this Agreement, each Party shall designate a repair center for such service.
- (D) 5.3.4 Each Party shall furnish a trouble reporting telephone number for the designated repair center. This number shall give access to the location where records are normally located and where current status reports on any trouble reports are readily available, and to get additional information and to provide the ability to close the trouble ticket. If necessary, alternative out-of-hours procedures shall be established to ensure access to a location that is staffed and has the authority to initiate corrective action.
- (D) 5.3.5 Before either Party reports a trouble condition, it shall use its best efforts to isolate the trouble to the other's facilities. The Parties shall cooperate in isolating trouble conditions.

(D)5.4 Trouble Isolation

- (D)5.4.1 According to applicable state Tariffs, USW will bill appropriate Trouble Isolation Charges for dispatched work done by USW where the trouble is found to be on the end user's side of the NID or trouble is found to be in McLeodUSA's portion of the network.
- (D)5.4.2 Other Trouble Isolation Charges may also be imposed by USW on McLeodUSA for other internal repair work incurred on behalf of McLeodUSA and later found to be in McLeodUSA network components.

(D)5.5 Inside Wire Maintenance

Except where specifically required by state or federal regulatory mandates, USW will not perform any maintenance of inside wire (premise wiring beyond the end user's NID) for McLeodUSA or its end users.

(D)5.6 Testing/Test Requests/Coordinated Testing

(D)5.6.1 USW will make the decision to test an end user's line or circuit. The test systems used by USW are finite, and their capacity has been designed according to USW's operating standards.

(D)5.6.2 Although some types of trouble reports typically will not require a test, USW usually runs certain standard tests on each line on which trouble has been reported.

(D)5.6.3 Prior to any test being conducted on a line, USW must receive a trouble report from McLeodUSA.

(D)5.6.4 USW end users are not given test results. On manually-reported trouble USW will not provide to McLeodUSA the test results for its trouble reports. For electronically-reported trouble, McLeodUSA may see various basic test results.

(D)5.7 Workcenter Interfaces

(D)5.7.1 USW and McLeodUSA shall work cooperatively to develop positive, close working relationships among corresponding workcenters.

(D)5.8 Misdirected Repair Calls

(D)5.8.1 McLeodUSA shall inform its own end users where to report their trouble conditions. Any misdirected repair calls will be advised to call their own telephone service provider and will be provided the correct telephone number for that purpose (this referral may occur within a voice response system or other interactive systems).

(D)5.8.2 McLeodUSA and USW will employ the following procedures for handling misdirected repair calls;

(D)5.8.2.1 McLeodUSA and USW will provide their respective end users with the correct telephone numbers to call for access to their respective repair bureaus.

(D)5.8.2.2 End users of McLeodUSA shall be instructed to report all cases of trouble to McLeodUSA. End users of USW shall be instructed to report all cases of trouble to USW.

- (D)5.8.2.3 To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of Basic Exchange Telecommunications Service.
- (D)5.8.2.4 McLeodUSA and USW will provide their respective repair contact numbers to one another on a reciprocal basis.
- (D)5.8.2.5 In responding to repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit end users to market services.
- (D)5.8.2.6 Performance targets for speed of repair call answering will be the same as USW's performance targets for its own end users.

(D)5.9 Major Outages/Restoral/Notification

- (D)5.9.1 USW will notify McLeodUSA of major network outages as soon as is practical. This notification will be via e-mail to McLeodUSA's identified contact. With the minor exception of certain proprietary information, USW will utilize the same thresholds and processes for external notification as it does for internal purposes. This major outage information will be sent via E-mail on the same frequency schedule as is provided internally within USW. Service restoration will be non-discriminatory, and will be accomplished as quickly as possible according to USW and/or industry standards.
- (D)5.9.2 If desired, USW will meet with associated personnel from McLeodUSA to share contact information and review USW's outage restoral processes and notification processes.
- (D)5.9.3 USW's emergency restoration process operates on a 7X24 basis.

(D)5.10 Proactive Maintenance

- (D)5.10.1 USW will perform scheduled maintenance equal in quality to what it provides to itself.
- (D)5.10.2 USW will work cooperatively with McLeodUSA to develop industry-wide processes to provide as much notice as possible to McLeodUSA of pending maintenance activity. Such process work will include establishment of reasonable thresholds and notification standards.

(D)5.11 Hours of Coverage

- (D)5.11.1 USW's repair operation is 7 days a week, 24 hours a day. Not all functions or locations are covered with scheduled employees on a 7X24 basis. Where such 7X24 coverage is not available USW's repair operations center (always available 7X24) can call-out technicians or other personnel required for the situation.

(D)5.12 Escalations

- (D)5.12.1 USW repair escalations begin with calls to the up-front trouble reporting centers. If desired, USW will provide trouble escalation procedures to McLeodUSA. Such procedures will be based on the processes USW employs for its own end users. USW escalations are manual processes.

(D)5.13 Dispatch

- (D)5.13.1 USW will provide maintenance dispatch personnel on the same schedule provided for its end users.
- (D)5.13.2 Upon receipt of a trouble report from McLeodUSA, USW will do all that is reasonable and practical, based on internal and industry standards, to resolve the repair condition. USW will dispatch repair personnel, if necessary, to repair the condition. It will be USW's decision whether it is necessary to send a technician on a dispatch. USW will make this dispatch decision based on the best information available in the trouble resolution process. Since it is not always necessary to dispatch to resolve trouble; should McLeodUSA require a dispatch when USW believes the dispatch is not necessary, appropriate charges may be billed to McLeodUSA for dispatch-related costs.
- (D)5.13.3 For non-designed services USW will not request authorization from McLeodUSA prior to dispatch. For lines supported by USW's designed services process, USW may accept McLeodUSA authorization to dispatch. USW's operational processes are regularly reviewed and may be altered in the future. Should processes be changed, McLeodUSA will be notified.

(D)5.14 Electronic Reporting

- (D)5.14.1 USW will accept repair reports from McLeodUSA through a mechanized system (IMA) and will work cooperatively to develop repair reporting via electronic bonding (other than IMA), based on national standards.

(D)5.15 Intervals/Parity

- (D)5.15.1 Similar trouble conditions, whether reported by USW end users or on behalf of McLeodUSA end users, will receive similar commitment intervals.

(D)5.16 Jeopardy Management

- (D)5.16.1 Notification will be given as soon as USW is aware that a trouble report interval is likely to be missed. This process will be the same used by USW for its own end users.

(D)5.17 Trouble Screening

- (D)5.17.1 McLeodUSA shall screen and test end user trouble reports completely to insure it sends USW only trouble reports that involve USW facilities.
- (D)5.17.2 If desired, USW will cooperate with McLeodUSA to show McLeodUSA how USW screens trouble conditions in its own centers, so that McLeodUSA may employ similar techniques in its centers.

(D)5.18 Maintenance Standards

- (D)5.18.1 USW will cooperate with McLeodUSA to meet the maintenance standards outlined in this Agreement.
- (D)5.18.2 For manually-reported trouble, USW will inform McLeodUSA of repair completion as soon as practical after completion. On electronically reported trouble reports the electronic system will automatically update status information, including trouble completion, across the joint electronic gateway.

(D)5.19 End User Interfaces

- (D)5.19.1 McLeodUSA will be responsible for all interactions with its end users including service call handling and notifying end users of trouble status and resolution.
- (D)5.19.2 All USW employees who perform repair service for McLeodUSA end users will be trained in non-discriminatory behavior.

(D)5.20 Repair Call Handling

- (D)5.20.1 Manually-reported repair calls by McLeodUSA to USW will be answered with the same quality and speed USW answers calls from its own end users.

(D)5.21 Single Point of Contact

- (D)5.21.1 USW will provide a single point of contact for McLeodUSA to report maintenance issues and trouble reports via electronic interfaces 7 days a week, 24 hours a day.
- (D)5.21.2 For manually-reported trouble reports, a single 7X24 trouble reporting telephone number will be provided to McLeodUSA for each category of trouble situation encountered. This provides the capability to obtain status information, add information and to close out the trouble ticket.

(D)5.22 Maintenance Windows

- (D)5.22.1 Generally, USW performs major switch maintenance activities off-hours, during certain "maintenance windows" in the early morning hours and/or on weekends.
- (D)5.22.2 Generally, the maintenance window is from 10:00 PM to 6:00 AM Monday through Friday and from 10:00 PM Saturday to 6:00 AM Monday.
- (D)5.22.3 Although USW attempts to perform major switch maintenance at these times, on some occasions this will not be possible.

(D)6. Service Performance

(D)6.1 General Provisions

- (D)6.1.1 USW and McLeodUSA agree that, under the Act, USW is required to provide finished Telecommunications Services for resale in a nondiscriminatory manner. Accordingly, USW agrees to provide service performance data to McLeodUSA in a manner that will assist in determining whether USW has provided those services in a nondiscriminatory manner.
- (D)6.1.2 In no instance shall this Agreement be construed to require USW to provide superior levels of service to McLeodUSA in comparison to the level of service USW provides to itself or its own end users.
- (D)6.1.3 As further specified in this Section, USW will provide results for the list of performance indicators identified for the following Standard Service Groupings: Resold Residential Plain Old Telephone Service (POTS); Resold Business POTS; Resold ISDN; Resold Centrex and Centrex-like services; Resold PBX trunks, Direct Inward Dialing (DID) and Digital Switched Service (DSS); Resold DS-0, Resold DS-1, Resold DS-3.

(D)6.2 Service Performance Indicators

The following Service Performance Indicators will be provided, subject to the provisions of this Section.

(D)6.2.1 Gateway Availability Indicator

GA-1 Gateway Availability

(D)6.2.2 Pre-Ordering Indicators

PO-1 Average Pre-Order/Order Transaction Response Interval
(under development)

- A. Due Date Reservation/Appointment Scheduling
- B. Feature Function and Service Availability Information
- C. Facility Availability
- D. Street Address Validation
- E. Customer Service Records
- F. Telephone Number

(D)6.2.3 Ordering and Provisioning Indicators

- OP-1 Average Speed of Answer – Interconnect Provisioning Center
- OP-2 Percent Calls Answered within 20 Seconds – Interconnect Provisioning Center
- OP-3 Installation Commitments Met – Non-designed Installation Process
- OP-4 Installation Commitments Met – Designed Installation Process
- OP-5 Average Installation Interval – Non-designed Installation Process
- OP-6 Average Installation Interval – Designed Installation Process
- OP-7 Installation Trouble Reports
- OP-8 Average Delayed Days

(D)6.2.4 Maintenance and Repair Indicators

- MR-1 Average Speed of Answer – Interconnect Repair Center
- MR-2 Percent Calls Answered within 20 Seconds – Interconnect Repair Center
- MR-3 Out of Service Cleared within 24 hours – Non-designed Repair Process
- MR-4 All Troubles Cleared within 48 hours – Non-designed Repair Process

- MR-5 All Troubles Cleared within 4 hours – Designed Repair Process
- MR-6 Mean Time to Restore – Non-designed Repair Process
- MR-7 Mean Time to Restore – Designed Repair Process
- MR-8 Repair Repeated Report Rate
- MR-9 Trouble Rate (non Co-Provider specific)

(D)6.2.5 Billing Indicators

- BI-1 Mean Time to Provide USW Recorded Usage Records (under development)
- BI-2 Mean Time to Deliver Electronic Invoices (under development)

(D)6.2.6 Operator Services/Directory Assistance Indicators

- OS-1 Average Speed of Answer – Operator Services
- OS-2 Calls Answered Within Ten Seconds – Operator Services
- DA-1 Average Speed of Answer – Directory Assistance
- DA-2 Calls Answered Within Ten Seconds – Directory Assistance

(D)6.2.7 Emergency Service Indicators

- ES-1 Percent ALI Database Updates Completed Accurately Within 24 Hours
- ES-2 Average 911/E911 Trunk Installation Interval

(D)6.2.8 Diagnostic Indicators

In addition to the performance indicators identified above, USW will report the following indicators that do not directly address nondiscrimination but may be useful in diagnosing problems or improving service:

- DOP-1 Reseller or Reseller End User-Caused Installation Misses
- DOP-2 Average Order Error/Rejection Notice Interval
- DOP-3 Percent Orders Flowed-through to Service Order Processor without Rejection
- DOP-4 Percent Orders Rejected
- DOP-5 Average Firm Order Confirmation (FOC) Interval
- DMR-1 Reseller or Reseller End User-Caused Trouble Reports

(D)6.3 Service Quality Performance Results Reports

(D)6.3.1 For Resale, USW will provide service performance results for the performance indicators listed above for McLeodUSA, other Resellers in aggregate, USW end users, and where applicable, for USW affiliates.

(D)6.4 The performance results provided to McLeodUSA by USW shall be consistent with the current version of the USW Service Performance Indicator Descriptions (PID). These descriptions shall be the exclusive description used by both McLeodUSA and USW when discussing performance results.

(D)6.5 The performance results provided under this Agreement are to be used solely for the purposes set forth herein, and shall be treated as "Confidential Information" as provided in Part A of this Agreement.

(D)6.6 Service Performance - Reported Events

(D)6.6.1 When applicable, the Parties will report service-related performance results for all "events". An "event" is the activity that generates the measurement.

(D)6.6.2 The Parties will report McLeodUSA results referenced above provided:

(D)6.6.2.1 McLeodUSA has ordered and is utilizing the services reported;

(D)6.6.2.2 If McLeodUSA does not have at least fifty (50) state-specific events (per performance indicator) that are reportable during the reported month, USW will provide McLeodUSA with its results but will not provide the results of other Co-Providers or end users.

(D)6.6.3 The Parties will provide the reports on a calendar monthly basis. These reports will be provided within forty-five (45) calendar days of the close of the preceding month.

(D)6.7 Statistically and Operationally Significant Deviations in Reported Trend Results

(D)6.7.1 The Parties agree that a statistically and operationally significant trend of occurrences over a period of three (3) or more consecutive months must occur before any conclusions may be drawn from the data.

(D)6.7.2 The Parties agree not to rely on this data to determine whether any trend suggesting that non-compliance with the Act may be occurring until the Party has collected six (6) months of data.

Either Party may rely upon trend analysis utilizing past data so long as no less than each of three (3) consecutive months' data is utilized in determining a trend.

- (D)6.7.3 Determination of the significance of a difference in each monthly service performance indicator result shall be based on a standard deviation or means test, commonly referred to as a "Z test". A difference in results will be deemed significant if the one-tailed Z test shows with 99 percent confidence, that service operations provided to the other Party appear inferior to similar operations provided by the Party to itself, or which favors other Co-Providers or end users, as applicable.
- (D)6.7.4 If a statistically and operationally significant difference has occurred in the trend results the Parties shall meet on at least a monthly basis to discuss the Parties efforts to end the statistically and operationally significant difference in trend results.
- (D)6.7.5 If a statistically and operationally significant difference has occurred in the trend results for any particular performance indicator, the Parties shall allow three (3) months to correct the difference in the trend results. If the statistically and operationally significant difference in trend results is corrected within the three (3) month time, no action, formal or informal, can be taken by either Party with respect to that difference.
- (D)6.7.6 If the statistically and operationally significant difference in trend results is not corrected within the three (3) month time frame, the Dispute Resolution provision of this Agreement shall apply.
- (D)6.8 Delaying Events
 - (D)6.8.1 A Party's failure to meet a requirement in this Section of this Agreement shall not be included when that failure is a result, directly or indirectly, of a Delaying Event.
 - (D)6.8.2 A "Delaying Event" means:
 - (D)6.8.2.1 Failure by either Party to perform any of its obligations set forth in this Agreement,
 - (D)6.8.2.2 Any delay, act or failure to act by an end user, agent or subcontractor of the other Party, or
 - (D)6.8.2.3 Any Force Majeure Event.

(D)6.8.3 If a Delaying Event prevents either Party from performing a measured activity, then such measured activity shall be excluded from the performance indicator(s).

(D)6.9 Joint Defense and Advocacy

The Parties shall jointly and separately advocate and defend the sufficiency of this Agreement in addressing the nondiscrimination requirements of the Act and wholesale services performance measurements reporting rights, remedies and related terms and conditions in any forum in which its sufficiency might be challenged.

(D)6.10 Cost Recovery

Each Party reserves the right to recover the costs associated with the creation of the above measures, indicators, and reports through a future proceeding before a regulatory body. Such a proceeding may address a wide range of implementation costs not otherwise recovered through charges established herein.

PART E - WASHINGTON RATES
LOCAL EXCHANGE SERVICES RESALE OF SERVICES

The Parties agree the following charges apply to the Resale of Local Services:

1. Nonrecurring Charges.

- a. Customer Transfer Charge (CTC): The following nonrecurring charges apply when converting a USW account to a McLeodUSA account or when changing an end user from one reseller to another.

<u>Category of Service</u>	<u>Nonrecurring Charge</u>
Residence or Business Mechanized	
First Line	\$14.56
Each Additional Line	\$ 6.57
Residence or Business Manual	
First Line	\$27.52
Each Additional Line	\$ 7.12
Private Line Transport	
First Circuit	\$45.08
Additional Circuits, Same CSR	\$31.19
Advanced Communications Services, Per circuit	\$50.48

- b. Product Specific Nonrecurring Charge: As set forth in USW tariffs, the product specific nonrecurring charges, without discount, will apply when additional lines or trunks are added or when the end user adds features or services to existing lines or trunks.
2. Except as qualified below, all USW telecommunications services, including IntraLATA Toll, shall be available for resale at a 16% discount.
- a. The following services are not available for resale:
- Customer Premises Equipment (separately or in a package)
 - Deregulated Services (Inside Wire, including installation, sale or maintenance)
 - Promotions equal to or less than 90 days
 - USW Calling Card
 - Enhanced Services
 - Concession Service
- b. The following services are available only to the same class of customer eligible to purchase that service from USW:
- Grandfathered
 - Residence
 - Lifeline/Link-up
- c. The following services are available for resale under this Agreement but are not included in the wholesale pricing reflected above:
- Private Line Used For Special Access
- d. Telecommunications services offered by USW at a volume discount are available at the lower of the 16% discount off the retail rate or at the undiscounted volume discount.
3. Daily Usage Record File: Recurring Charge - \$.0011 per record.

PART F - SIGNATURE

Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

McLeodUSA Telecommunications Services, Inc.

DR Conn
Signature

David R. Conn
Name Printed/Typed

V.P. Law and Reg.
Title

10/25/99
Date

U S WEST Communications, Inc.

K Fleming for
Signature

Katherine L. Fleming
Name Printed/Typed

Vice President - Interconnection
Title

11-3-99
Date